

New Mid-Term Management Plan

~Challenge the Next Stage~

(April, 2015 ~ March, 2018)



KURODA ELECTRIC Co., Ltd.

May 21th, 2015

Kuroda Electric Co., LTD.

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1. Review on the current mid-term management plan (FY2011-FY2015)

The mid-term management plan(for 5years)announced in November, 2011.

《Quantative Goal (March,2016)》

- Sales J¥280Bil. Operating profit J¥11.2Bil Operating profit margin 4.0%

《Management policy》

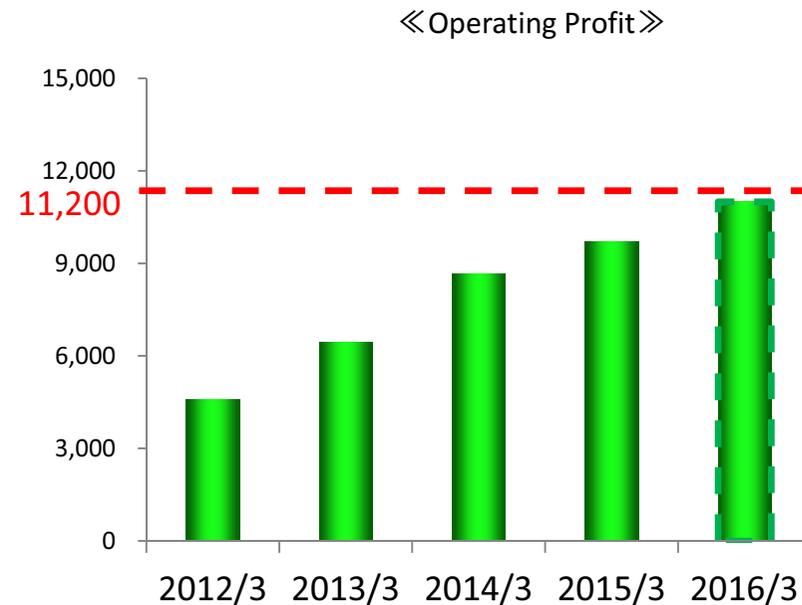
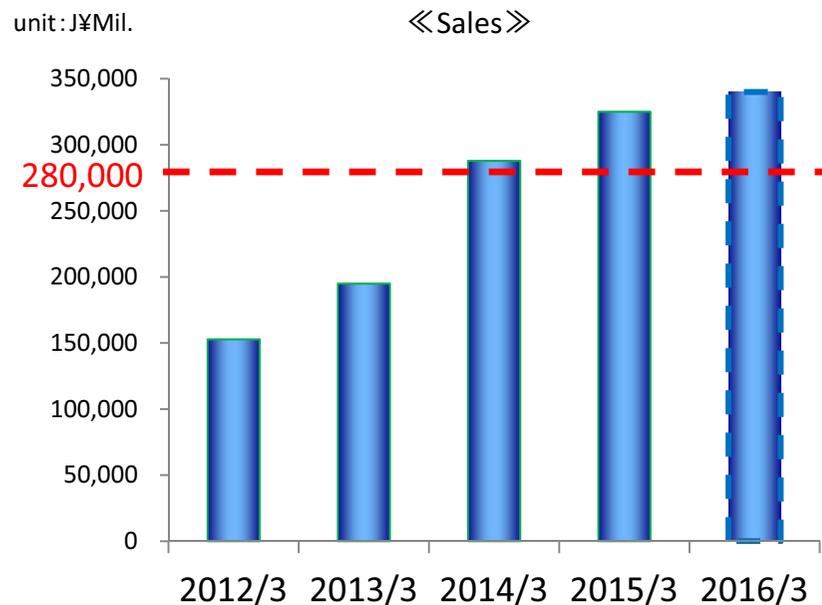
- Expansion of area and business domain, increase of sales amount by J¥100Bil.
- Increasing the proportion of manufacturing business, utilizing trading function.
- Promotion of globalization

《Prioritized strategies》

- Expansion of overseas business
- Strategic investments
- Promoting the business globalization
- Enhancement of group management

The mid-term management plan(for 5years)announced in November, 2011.

- In terms of sales amount, the goal was accomplished 2 years earlier than the plan mainly by virtue of strong sales in large LCD and mobile business.
- Operating profit is increasing on schedule except some manufacturing division.



2. Overview of new mid-term management plan and business strategy

Overview of the mid-term management plan

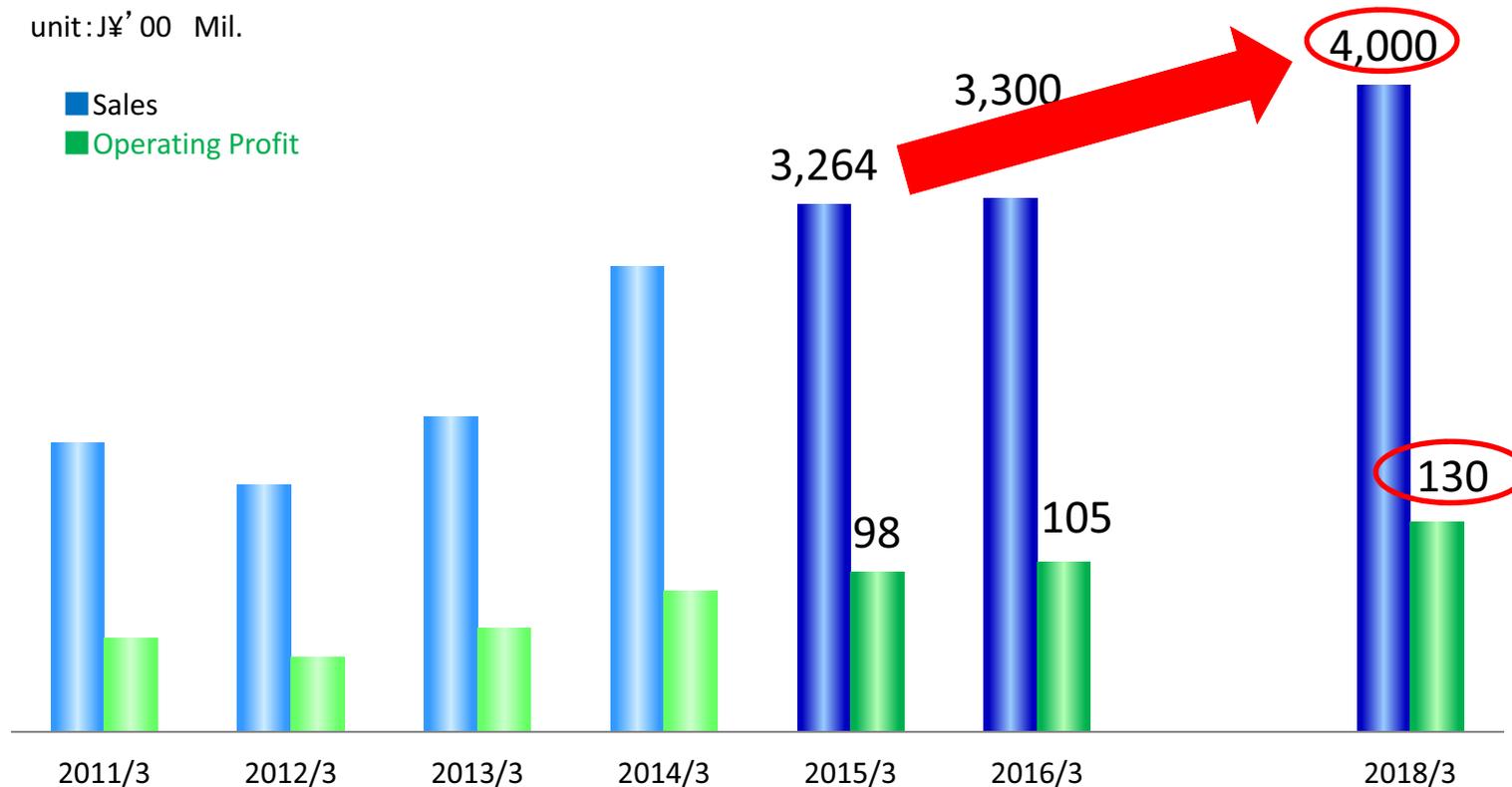
Sales amount J¥400Bil. Operating profit J¥13Bil.

- Enhancement of corporate body
- Improvement of enterprise value

- Enhancement of group management
- Diversification of profit resources by strategic investments

- Selection & concentration
- Sustainable strategic investment
- Building up strong ground for Growth

unit: J¥' 00 Mil.



Business Strategy

Selection and Concentration

Core business	Areas to be deployed	Type
①Automotive	ASEAN and North America	trading▪ manufacturing

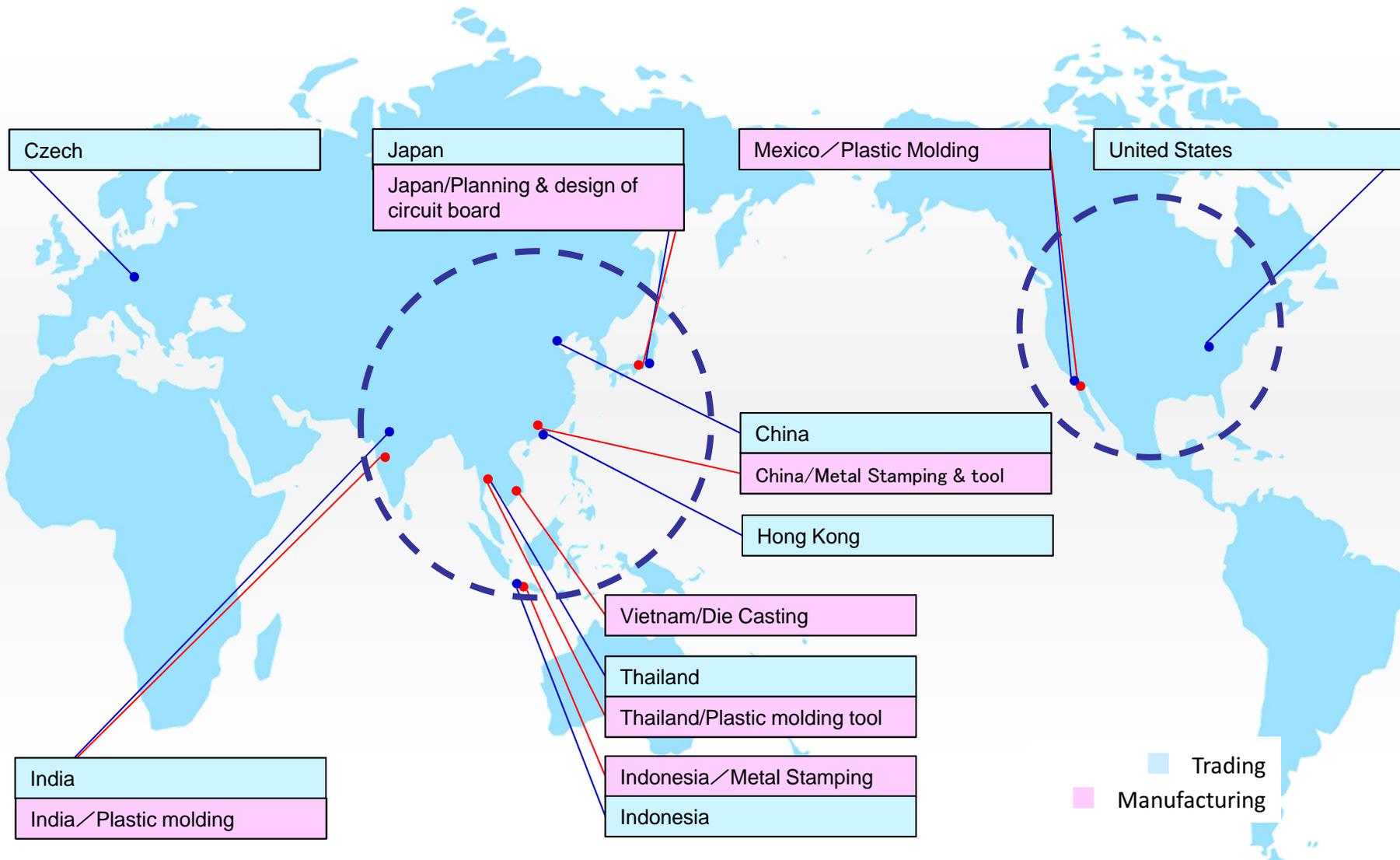
- Expansion of business scale by investment to the existing businesses
- Partnership, M & A

Newly core business	Areas to be deployed in	Type
②New fields	Asia including Japan	trading▪ manufacturing

- To create a new core business for growth strategy, aiming at sustainable growth and diversification of profit resources.
- Partnership, M & A

Strategy of automotive business

Business partnership ▪ Deployment of new bases ▪ Acceleration of M&A



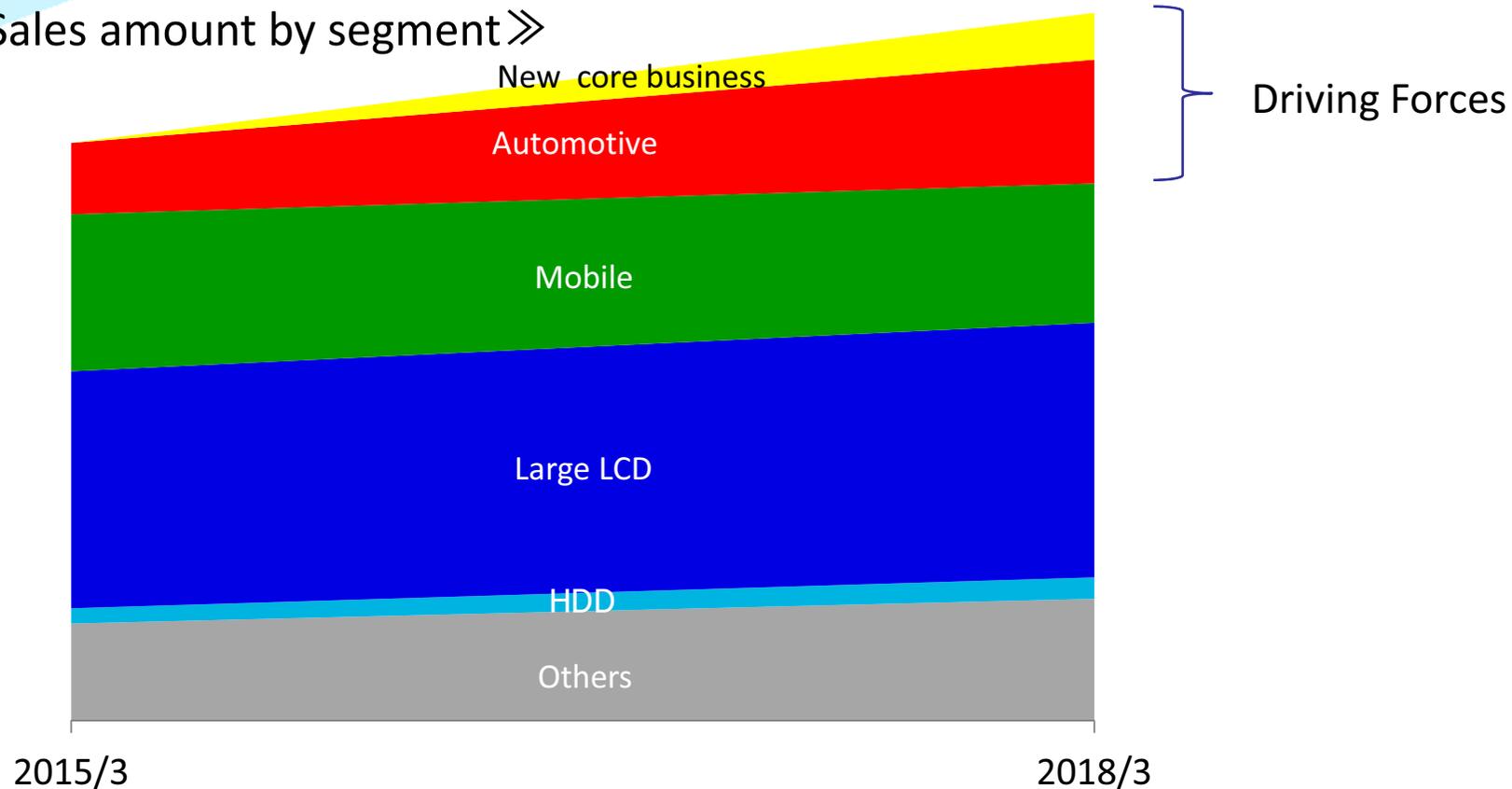
The scenario to achieve the goal

Selection and Concentration on area and business domain
Continuation of Partnership and M&A.

【manufacturing】 To increase sales by facility investment and productivity improvement..

【trading】 To create new business by establishing enhanced partnership with clients.

《Sales amount by segment》



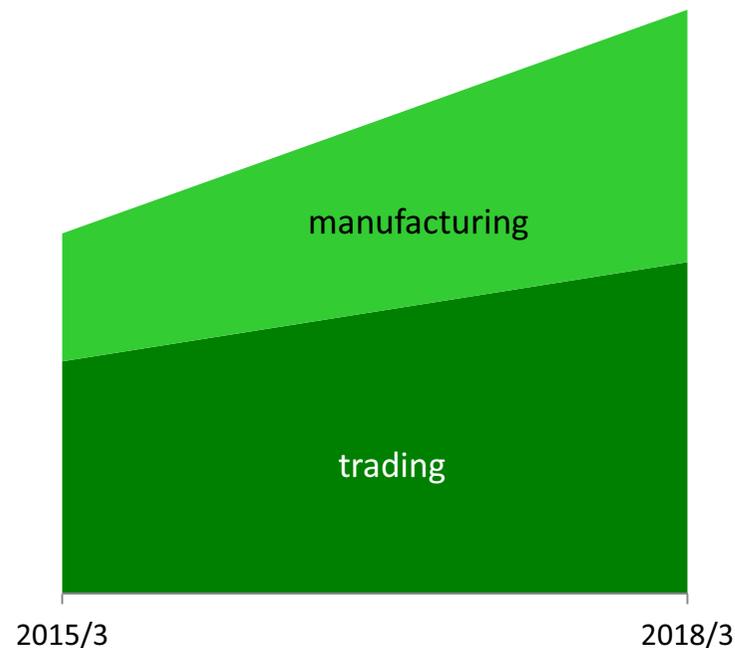
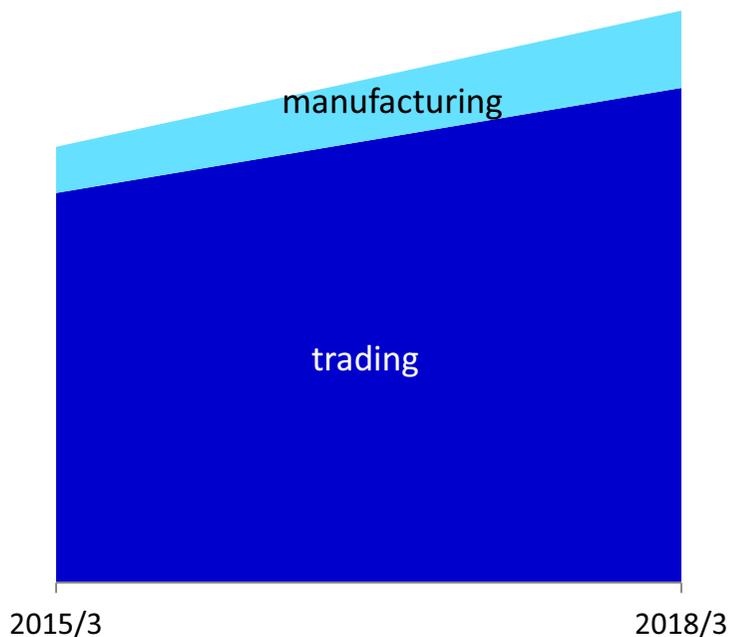
Proportion of trading to manufacturing

《Sales》

	March,2015	March,2018
Manufacturing	11%	13%
trading	89%	87%

《Operating Profit》

	March,2015	March,2018
manufacturing	35%	43%
trading	65%	57%



※ approximate calculation



3. Strengthening operating foundation

Strengthening operating foundation

Sustainable structural reform (To improve all the business qualities)

Enhancement of financial ground

- Improvement of cash flow management
- Enhancement of global cash management
- Funding and strategic management

Establishment of global personnel system and development of human resources

- Globalization of human resources (to facilitate the expanding overseas business)
- Securing experts (engineering, manufacturing, management etc.)
- Promotion of female employees

To optimize group management

Improvement of global management system

- Utilization of new core system and maximization of its performance.
- Speed-up of management judgement by visualization
- Establishment of global management system

Enhancement of Corporate governance

- Compliance
- Pertinent disclosure
- Risk management

4. CSR activity

CSR activity of Kuroda electric Co., LTD.

Corporate Philosophy · Company Motto · Mission Statement

The DNA of Kuroda Electric

The United Nations Global Compact

Joined on March 2, 2011

The Backbone Of our CSR Activities

The 10 Principals of the UN Global Compact/UN Millennium Development Goals

The 3 Pillars of our Social Contribution Activities

Universal Primary Education

Educational Support

Support for the Construction of Ban Parai Elementary School 寺 in Thailand

Periodic Release of CSR Report

Environmental Sustainability

Environmental Contribution Activities

The Kuroda Electric Company Forest (Oume Tokyo, Kawanishi Hyogo)

Community Activities & Household

Environmentally-Conscious Action in the Home and Community

Kuroda ECO Point System

5. Dividend Policies

Dividend Policies

Kuroda Electric Co., LTD.(“Kuroda”) recognizes that pertinent dividend to shareholders is one of corporate responsibilities.

It is Kuroda’s basic policy to pay stable dividend in long term perspective, from a comprehensive viewpoint on return to shareholders, business expansion and improvement of the balance sheet.

Kuroda is aiming at paying stable dividend in a consistent manner.

◆ Performance of Dividend

unit: J¥

